

Members

Rep. Matt Pierce, Chairperson
Rep. Philip GiaQuinta
Rep. Kathy Richardson
Rep. Robert Behning
Sen. Sue Landske
Sen. Connie Lawson
Sen. Jean Breaux
Sen. Lindel Hume



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MEETING MINUTES¹

Meeting Date: September 30, 2008
Meeting Time: 1:30 P.M.
Meeting Place: State House, 200 W. Washington
St., Room 404
Meeting City: Indianapolis, Indiana
Meeting Number: 2

Members Present: Rep. Matt Pierce, Chair; Rep. Philip GiaQuinta;
Rep. Kathy Richardson; Rep. Robert Behning;
Sen. Connie Lawson; Sen. Jean Breaux; Sen. Lindel Hume.

Members Absent: Sen. Sue Landske.

The Chair, Representative Pierce, convened the meeting at 1:40 p.m. After brief introductory remarks, the Chair, at the request of Senator Lawson, asked the Committee and those present to observe a moment of silence in memory of Senator Marvin Riegsecker, whose death was reported today.

1. Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.in.gov/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

Testimony of Maine State Senator Christine Savage

The Chair recognized Maine State Senator Christine Savage to speak about Maine's "Clean Elections Act".² Senator Savage, a Republican, said she has served in the Maine legislature for 14 years with three terms in the Maine House of Representatives and the remainder in the Maine Senate. The Maine Clean Elections Act, passed in 1996 by referendum, was first implemented during the 2000 elections. Senator Savage outlined some of the requirements of the Maine law. Senator Savage said that she believes that the law encourages more first-time candidates to run for office, increases the number of contested races, and frees candidates from fundraising to spend more time with constituents. Legislative candidate participation in the Maine public campaign finance system has risen from 33% of the candidates in the 2000 election, to 62% in the 2002 election, to 81% in the 2006 election. Senator Savage said that the system has been accepted by legislators, lobbyists, and the public.

In response to questions from Representative Behning, Senator Savage said that because it is uncommon for Maine legislative campaigns to use television advertising, the expenditure limits for candidates who accept state funding do not unduly disadvantage those candidates compared to candidates who do not accept state funding. She did admit that the spending disparity between candidates who do accept state funding and candidates who do not accept state funding could be large.

In response to questions from Senator Hume, Senator Savage said that state funding was provided by a general fund appropriation of approximately \$6 million. Answering a question from Representative Pierce, Senator Savage said that she did not perceive that there was great public pressure for a candidate to accept public funding; the bigger incentive for a candidate is that it relieves the candidate from spending more time asking for money and gives more time for the candidate to campaign. Responding to Representative Richardson, Senator Savage said that the Maine Clean Elections Act does not apply to campaigns for local offices.

Testimony of Arizona State Senator Meg Burton Cahill

The Chair recognized Arizona State Senator Meg Burton Cahill. Senator Cahill, a Democrat, describing the composition of the Arizona legislature, said that there are 30 legislative districts in Arizona, with two members of the House of Representatives and one Senator elected from each district. Senator Cahill said she has had experience with the Arizona public campaign finance system both as a challenger and as an incumbent. She said that incumbents should not fear a public campaign financing system and described the same advantages to a public campaign finance system as did Senator Savage. Senator Cahill particularly emphasized the ability of candidates to spend time with constituents rather than "dialing for dollars".

2. Two items were distributed to supplement Senator Savage's remarks: A brochure, "Maine Clean Elections, Reclaiming our Democracy" is Exhibit #1 to these Minutes; A soft cover book, "2008 Candidate Guide, Running for Office in Maine" is Exhibit #2 to these Minutes.

In response to questions from Representative Pierce, Senator Cahill said that the Arizona system is very similar to Maine's campaign finance system. She said that she also could not say that a candidate who did not agree to accept public money would find disfavor with the voters, but suggested that there might be a more negative response to a self-funded candidate as Arizona has more experience with the public funding system.

Responding to Senator Hume, Senator Cahill said that the Arizona public financing system was adopted by a referendum in 1998 and was first implemented for the 2000 elections. She also said that except for some minor modifications, the current system is what was adopted in 1998.

Testimony of Eric Ehst, Executive Director, Clean Elections Institute

The Chair recognized Mr. Eric Ehst, Executive Director, Clean Elections Institute. Mr. Ehst said that rather than make a presentation, he would like to use his time to respond to questions from the Committee. Mr. Ehst agreed with both Senator Savage and Senator Cahill that traditionally funded candidates do not currently find disfavor from the electorate.

In response to questions from Senator Hume, Mr. Ehst elaborated on the history of adoption of the public campaign finance system in Arizona. He said that in addition to Maine and Arizona, Connecticut has a public campaign finance system for state offices. The cities of Portland, Oregon, and Albuquerque, New Mexico, have a public campaign finance system for local offices. Hawaii and California have established pilot public campaign finance programs. Mr. Ehst said that the issue of public funding is not a partisan issue, not giving an advantage to either political party, but does help challengers. He said the Arizona public campaign finance system is popular with candidates, two-thirds of whom accept public money, and with the public, 80% of whom approve of the system.

Mr. Ehst said that the Arizona public campaign finance system has led to more competitive elections and has attracted more women and minority candidates. He said that participants are required to engage in debates, and that voter turnout has been increasing since the inception of the system. Funding is provided by an income tax checkoff and a 10% surcharge imposed on criminal fines. While conceding that a candidate who participates in the state-funded system can be outspent, the system provides a candidate with sufficient funds to run a viable campaign.

In response to questions from Representative Behning, Mr. Ehst elaborated on the details about requirements for candidates to qualify for public funding and spending limitations in the Arizona law. He also described candidate reporting requirements in response to questions from Senator Breaux. In response to a question from Representative Richardson, Mr. Ehst clarified that the Arizona public campaign finance system applies only to candidates for legislative and state offices. Mr. Ehst responded to Senator Hume that approximately 60% of the revenues for public campaign funding come from the 10% surcharge on criminal fines and 30% is derived from the income tax check off and donations to the fund. The balance of revenues comes from candidate qualifying contributions and fines imposed for violations. In response to questions from Senator Breaux, Mr. Ehst discussed how a participating candidate is compensated when the candidate's nonparticipating opponent outspends the participating candidate.

Discussing with Senator Hume the inability of campaign finance laws to fully regulate independent advocacy by 527 organizations, Mr. Ehst said that participating candidates can receive additional funding if independent expenditures are made in

opposition to the candidate if the independent expenditures are made for "direct advocacy". He told Senator Hume that funding is given to the participating candidate as quickly as possible to respond to independent expenditures. Responding to Senator Breaux, Mr. Ehst clarified that to become a participating candidate, a candidate must raise 220 contributions of \$5 from registered voters who can vote for the participating candidate.

Testimony of Dan Weeks, Americans for Campaign Reform

The Chair recognized Mr. Dan Weeks, representing Americans for Campaign Reform. Mr. Weeks distributed written materials.³ Mr. Weeks said that the current campaign finance situation in general has made people disaffected with politics because they see the "pay to play" attitude as being a barrier to access to elected officials, creating conflicts of interest, and occupying public servants more in raising money than serving their constituents' interests. Mr. Weeks then discussed statistics relating to campaign expenditures and contributions in Indiana in the recent past. He said that in Arizona and Maine, campaign expenditures were growing before enactment of each state's public campaign finance laws but after enactment, expenditures began to level out. He discussed findings that suggest that there are levels of campaign expenditures past which expenditures become wasted; that is, more money did not correspondingly improve a candidate's chances to win. He said that a key goal of public campaign finance systems is to provide sufficient resources to participating candidates to make them competitive.

Testimony of Julia Vaughn, Common Cause of Indiana

The Chair recognized Julia Vaughn representing Common Cause of Indiana. Ms. Vaughn described the efforts of the "VOICE Coalition"⁴ to reintroduce the idea of public campaign finance in Indiana. She provided a brochure that outlined the group's position.⁵ There was discussion among Ms. Vaughn and Committee members about the cost of media in political campaigns.

At the conclusion of the presentations, Senator Hume expressed concern about how the process relating to voting by military personnel overseas works. After brief discussion, the Chair said he would try to have someone at the next meeting to address Senator Hume's questions.

The meeting adjourned at 3:35 p.m.

3. Mr. Weeks distributed the following items: A policy paper by Americans for Campaign Reform, titled "Does Money Buy Elections" is Exhibit #3 to these Minutes; a fact sheet by Americans for Campaign Reform titled "Leaders Support Fair Elections" is Exhibit #4 to these Minutes; a copy of a letter signed by Jeffrey A. Modisett and William Hudnut III is Exhibit #5 to these Minutes; and a policy brief from Americans for Campaign Reform titled "Summary: Does Money Buy Elections?" is Exhibit #6 to these Minutes.

4. "Voter Owned Indiana Clean Elections" Coalition.

5. A copy of the brochure, titled "Getting Big Money OUT of Political Campaigns" is Exhibit #7 to these Minutes.